

NATIONAL DAIRY MARKET AT A GLANCE

At the Chicago Mercantile Exchange, all grades of bulk butter are unchanged: Grade AA is \$1.1300, Grade A is \$1.0500, and Grade B is \$1.0500. Also at the CME, barrel cheese decreased 1/4 cent to \$1.1225 and 40# blocks are unchanged at \$1.1675.

According to NASS, milk production in the 20 major States during May totaled 11.8 billion pounds, 2.1% above production in these same States in May 1996. Production per cow averaged 1,526 pounds for May, 47 pounds (3.2%) above May 1996. The number of cows on farms was 7.73 million head, down 84,000 head (1.1%) from last May but up 1,000 from April 1997.

The May 1997 Consumer Price Index (CPI) for all food is 156.6, up 3.0% from May 1996. The dairy products index, at 145.4, is 5.7% more than a year ago. The May to May changes in selected dairy products are: fresh whole milk up 4.4%, cheese 4.2% higher, and other dairy products (includes butter) up 12.7%.

In March 1997, mailbox milk prices reported for selected Federal milk orders averaged \$13.24, \$1.16 more than the figure for the previous month. On a regional basis, the average prices and changes from the previous month were: Northeast, \$13.08, up \$.36; Southeast, \$14.37, down \$.22; Midwest, \$13.35, up \$.16; and West, \$12.56, up \$.17.

During April, sales of fluid milk products in comparable Federal milk order marketing areas and California were 0.6% above 1996 and 1.1% above March 1997 on an adjusted daily average basis. Sales of whole milk items were 0.9% below the previous year; sales of lowfat and skim milk items were 1.3% above the previous year.

During May, about 10.2 billion pounds of milk were marketed under Federal orders. (Since significant volumes of milk that normally would have been pooled under Federal milk orders were not pooled in May 1996, the following comparisons involving producer deliveries have been estimated.) For comparable markets, producer deliveries were about 1.9% more than May 1996, and about 0.2% more than April 1997 on a daily average basis. Milk utilized in Class I products in May was 0.1% more than last year on an adjusted basis. Class I use this year represented 38% of producer milk deliveries compared to 48% in May 1996.

BUTTER MARKETS**CHICAGO WHOLESALE**

Dollars per pound, trucklot, bulk in fiber boxes, delivered metropolitan area, prices include CCC purchase price whenever bulk butter is moving to CCC from the Midwest area.

GRADE	:	JUNE 17	:	JUNE 19	:	JUNE 20
AA	:	\$1.1300 - 1.1400	:	\$1.1300 - 1.1400	:	\$1.1300 - 1.1400
	:	(.0025) (.0025)	:	:	:	:
A	:	\$1.0500 - 1.0600	:	\$1.0500 - 1.0600	:	\$1.0500 - 1.0600
	:	:	:	:	:	:

() Change from previous price.

BUTTER HIGHLIGHTS: At the Chicago Mercantile Exchange, all grades of bulk butter are steady. In most areas, churning schedules are being impacted by tightening cream supplies. Seasonally warmer temperatures across the country are spurring ice cream demand, thus heavier production. Stocks of bulk and print butter are in balance for most current needs with handlers holding additional stocks with confidence. Overall, buying interest is seasonally fair as most orders are being placed for short term needs. Although most buyers are concerned about immediate needs, buyers continue to secure additional volumes for late summer and fall use when available.

CHICAGO MERCANTILE EXCHANGE

Sales are listed in chronological order; bids and offers listed in numeric order.

BUTTER TRANSACTIONS ON FRIDAY, JUNE 20, 1997

(CARLOT UNIT = 40,000 - 42,000 LBS.)

GRADE	:	PRICE CHANGE	:	LAST SIGNIFICANT TRANSACTION - LST
AA	:	N.C.	:	\$1.1300 : SALE 06/20/97
	:	:	:	:
A	:	N.C.	:	\$1.0500 : BID 05/30/97
	:	:	:	:
B	:	N.C.	:	\$1.0500 : BID 05/30/97

SALES: 4 CARS GRADE AA:
1 @ \$1.1250, 2 @ \$1.1275, 1 @ \$1.1300 (LST)

BIDS UNFILLED: 1 CAR GRADE AA @ \$1.0800

OFFERS UNCOVERED: 1 CAR GRADE AA @ \$1.1400

Milk production across the country has basically peaked out and is holding steady or declining from seasonal highs. In Southern states from Florida across to Arizona and Southern California, hot temperatures are affecting milk production to the point that noticeable declines are occurring. Further north, temperatures are not as hot, thus output is holding steady at seasonally high levels. Diversions of surplus milk to local manufacturing plants remain heavy. In Eastern areas, due to strong production, some milk was lost at the farm where bulk tank capacity was insufficient before the milk truck could pick it up.

Nonfat dry milk continues to clear the country under DEIP and additional volumes are being offered to CCC under the Dairy Support program. Prices for NDM are hovering near the support price plus delivery differentials depending on area of the country. Buttermilk powder markets remain weak as prices edge lower. Stocks of powder range from moderate to heavy. On the other hand, whey markets are firm with prices steady to slightly higher. Stocks are not as readily available as in past weeks. Additional interest is coming from buyers attempting to secure extra product in a firming market.

During the week of June 16 - 20, CCC net dairy product purchases under the price support program were 410,077 pounds of nonfortified NDM and 139,634 pounds of barrel cheese. Prior to this offer, the most recent 500# barrel offer was in early 1991.

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CHEESE MARKETS**WISCONSIN ASSEMBLY POINTS**

Dollars per pound, standard moisture basis (37.8-39.0%), carlot/trucklot, F.O.B. plants or storage centers, prices include CCC purchase price whenever cheese is moving to CCC from the Midwest area.

CHEDDAR STYLES	:	JUNE 16 - 20, 1997
BARRELS*	:	\$1.1150 - 1.1350 (NOMINAL)
	:	(-.0025) (-.0025)
40# BLOCKS	:	\$1.1675 - 1.1925 (NOMINAL)
	:	(.0025) (.0075)

() Change from previous week. * If steel, barrel returned.

CHEESE HIGHLIGHTS: The cheese market is unsettled to weak. The block price was unchanged at \$1.1675 and barrels were 1/4 cent lower to \$1.1225 at the Chicago Mercantile Exchange in moderate trading. During the week ending June 20, CCC purchased 139,634 pounds of Western barrels under the price support program, the first since 1991. Cheese production and offerings remain seasonally heavy as milk receipts remain near annual peak levels through much of the country. CCC market price cheese invitations are found on page 15 of this report.

CHEESE TRANSACTIONS ON THURSDAY, JUNE 19, 1997

(CARLOAD UNIT = 40,000-44,000 LBS.)

CHEDDAR STYLES	:	PRICE CHANGE	:	LAST SIGNIFICANT TRANSACTION
BARRELS	:	-.0025	:	\$1.1225 : OFFER 06/19/97
	:	:	:	:
40# BLOCKS	:	N.C.	:	\$1.1675 : SALE 06/19/97

SALES: 4 CARS BARRELS: 1 @ \$1.1200, 2 @ \$1.1225,
1 @ \$1.1250

5 CARS 40# BLOCKS: 2 @ \$1.1675, 2 @ \$1.1650,
1 @ \$1.1675 (LST)

BIDS UNFILLED: NONE

OFFERS UNCOVERED: 20 CARS BARRELS: 2 @ \$1.1375, 2 @ \$1.1325,
2 @ \$1.1300, 6 @ \$1.1275, 7 @ \$1.1250,
1 @ \$1.1225 (LST)
1 CAR 40# BLOCKS @ \$1.1700

*****BUTTER AND CHEESE TRADING WILL BE HELD ON THURSDAY, JULY 3 AT THEIR REGULAR TRADING TIMES*****

PRINT BUTTER MARKETS - GRADE AA**NORTHEAST**

Northeastern print butter markets remain firm as prices recovered what was lost the previous week. Churning schedules are seasonally heavy, although cream supplies are becoming less available to local churns. Plant stocks are adequate to ample for current buyer interest. Buying interest is not overly aggressive at this time. Most buyers are content with current market conditions and feel that prices will not increase sharply in the near future. In light of a somewhat steady undertone, buyers are not as actively procuring additional stocks as they have been in the past, although surplus stocks are being held with confidence.

WHOLESALE PRICES: MIN 25 BOXES
DOLLARS PER POUND, DELIVERED EAST COAST CITIES

1/4 LB. PRINTS	:	1.3400-1.5875
1 LB. PRINTS	:	1.2550-1.4375
CHIPS/PATTIES	:	1.3175-1.4875
REDDIES	:	1.3925-1.5875
CONTINENTALS	:	1.4725-1.6475

CENTRAL

Print butter markets remain firm as prices increased fractionally following trading at the Chicago Mercantile Exchange June 13. Churning schedules in the Central part of the country remain seasonally active, although are edging lower as cream supplies become less available to local churns. Although temperatures are not overly hot, ice cream output is nearly at full production, thus limiting volumes to local churns. Usually, butter stocks are sufficient for current needs with additional volumes being held with confidence for future needs. Butter orders, as one contact refers to them, are sensible. No one is trying to corner the market or order ahead, thinking the market is going to adjust significantly in the near future.

FOB CENTRAL STATES PLANTS: MIN 20,000 POUNDS, \$ PER POUND

1/4 LB. PRINTS	:	1.2300-1.6375
1 LB. PRINTS	:	1.1950-1.3575
CHIPS/PATTIES	:	1.2200-1.4300
REDDIES	:	1.3050-1.5400
CONTINENTALS	:	1.4600-1.6500

WEST

Prices are generally holding steady for Western print butter. Print orders range from steady to improving especially to those areas that normally see an upturn in demand from the summer vacation season. Bulk orders are slower than the past few weeks. Stocks are clearing, but orders are not coming in as rapidly as a few weeks ago. Cream demand from ice cream operations is increasing seasonally, but some manufacturers are a little disappointed at current sales activity. Butter does continue to move from the West to other regions of the country.

WHOLESALE SELLING PRICES: DELIVERED WESTERN CITIES
150 - 1000 POUNDS, DOLLARS PER POUND

1/4 LB. PRINTS	:	1.4125-1.4600
1 LB. PRINTS	:	1.3400-1.4025
PATTIES	:	1.3825-1.5500
REDDIES	:	1.5100-1.5275

FOB CALIFORNIA PLANTS - GRADE AA
100 CASES AND UP, DOLLARS PER POUND

1/4 LB. PRINTS	:	1.1375-1.1575
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**WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS**

	BUTTER	:	CHEESE
	:		
06/16/97	41,940	:	118,010
06/01/97	40,453	:	117,907
CHANGE	+1,487	:	+ 103
% CHANGE	+ 4	:	N.C.

NASS CHEDDAR CHEESE PRICE SURVEY

WEEK ENDING	40# BLOCKS			640# BLOCKS		BARRELS		
	MN/WI	WEST	U.S.	U.S.	MN/WI	OTH STATES	U.S.	U.S.
JUNE 13	1,327,932	3,359,164	4,854,962	1,013,328	3,912,327	5,759,175	9,671,502	
					34.53%	34.58%	34.56%	

CONSUMER PRICE INDEX (CPI-U) AND AVERAGE RETAIL PRICES FOR SELECTED PRODUCTS, U.S. CITY AVERAGE 1/

Month and Year	All Food		Dairy Products		Fresh Whole Milk		Cheese		Other Dairy Products		Meat, Poultry, Fish and Eggs	
	CPI <u>2/</u>	Pct. Chg. <u>3/</u>	CPI <u>2/</u>	Pct. Chg. <u>3/</u>	CPI <u>2/</u>	Pct. Chg. <u>3/</u>	CPI <u>2/</u>	Pct. Chg. <u>3/</u>	CPI <u>2/</u>	Pct. Chg. <u>3/</u>	CPI <u>2/</u>	Pct. Chg. <u>3/</u>
MAR 1997	156.6	3.3	146.1	6.9	143.8	5.6	148.1	5.9	135.9	13.0	147.8	3.6
APR 1997	156.6	2.8	145.7	6.4	142.6	4.5	148.2	5.2	137.1	14.3	147.7	4.2
MAY 1997	156.6	3.0	145.4	5.7	142.5	4.4	147.8	4.2	135.4	12.7	147.7	4.6
U.S. City Average Retail Prices												
Month	Whole Milk <u>4/</u>		Lowfat Milk <u>4/</u>		Butter <u>5/</u>		Process Cheese <u>6/</u>		Natural Cheese <u>7/</u>		Ice Cream <u>8/</u>	
	1997	1996	1997	1996	1997	1996	1997	1996	1997	1996	1997	1996
	Dollars											
MAR	2.632	2.539	2.437	2.335	2.135	1.697	3.514	3.149	NA	3.332	2.920	2.752
APR	2.606	2.537	2.372	2.321	2.177	1.651	3.534	3.182	NA	3.436	2.903	2.728
MAY	2.608	2.532	2.377	2.317	2.121	1.685	3.528	3.211	NA	3.399	2.876	2.825

* NA Not available. 1/ "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. 2/ The standard reference base period for these indexes is 1982-1984 = 100. 3/ Percent change over previous year. 4/ Per gallon. 5/ Per pound. Grade AA, salted, stick butter. 6/ Per pound, any size and type of package. 7/ Per pound, cheddar cheese in any size and type of package and variety (sharp, mild, smoked, etc.). 8/ Per 1/2 gallon, prepackaged regular.

CHEESE MARKETS

NORTHEAST

Prices are unchanged to fractionally higher on natural, steady to fractionally lower on process. The market tone is unsettled. Cheese production remains seasonally heavy as milk volumes remain near peak levels. Producers' stocks remain heavy. Demand continues fair at best. Interest is improved from vacation outlets, at least those having good weekend weather. Retail sales are little changed from recent weeks.

CORRECTION: last week's muenster should have been \$1.3450-1.7475.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.1900-1.6500
Cheddar Single Daisies	:	1.1600-1.6450
Cheddar 40# Block	:	1.3050-1.4550
Process 5# Loaf	:	1.3350-1.4750
Process 5# Sliced	:	1.3550-1.4975
Muenster	:	1.3475-1.7475
Grade A Swiss Cuts 10 - 14#	:	2.2500-2.5050

MIDWEST

The cheese market is unsettled. At the Chicago Mercantile Exchange on June 12, 40# blocks advanced 1/4 cent to \$1.1675 and barrels declined 1/4 cent to \$1.1250. More than a few traders were surprised by the block increase, especially with CCC purchasing blocks from the Central region (Texas) under the price support program. Overall demand is relatively steady, mostly fair at best. Buyers have no difficulty in securing additional product if needed. Most processors and/or packagers are having no problems in filling current orders with a minimum of overtime. Spot cheese prices are very competitive due to the ample quantities available both from within and outside the Midwest. Process interest is steady to slightly improved as vacation area sales build seasonally, especially now that the weather is improving. Cheese inventories remain heavy at the plant levels as buyers continue to maintain just good working inventories. Milk supplies remain at near peak levels with some outside milk still available. Estimated May milk production in most upper Midwestern states was at or above year ago levels for the first time in months.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.4900-1.5600
Brick And/Or Muenster 5#	:	1.4900-1.6250
Cheddar 40# Block	:	1.4200-1.9150
Monterey Jack 10#	:	1.6200-1.9150
Blue 5#	:	1.7725-2.0300
Provolone 10 - 12#	:	TFEWR
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.5425-1.9150
Grade A Swiss Cuts 6 - 9#	:	2.1000-2.4850

WEST

Prices are somewhat mixed, but there is no real firming undertone of any kind in the market. Most manufacturers are continuing to worry about finding enough warehouse space to store growing inventories. Many are looking at outside storage as a very real option even with the added expenses. The news of the offerings of process, blocks, and barrels to the government price support program is not surprising to most Western contacts. Demand is extremely quiet from all sources. Contacts are pessimistic about when the market may start to improve seasonally with the heavy stocks and milk supplies available.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.3175-1.6900
Cheddar 40# Block	:	1.3475-1.7300
Cheddar 10# Cuts	:	1.5825-1.7800
Monterey Jack 10#	:	1.5325-1.7800
Grade A Swiss Cuts 6 - 9#	:	2.3375-2.5600

FOREIGN TYPE CHEESE

Prices are unchanged on imported, fractionally higher on most domestic varieties. Stocks of imported varieties are about in balance with expected short term needs. Little change in imported volumes from the E.U. are expected until the new GATT year starts July 1.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
	:	:
Roquefort	: 5.5000-6.8900	: -0-
Blue	: 2.6400-3.1400	: 1.5025-2.0700*
Gorgonzola	: 3.2400-5.9400	: 2.1250-2.4900*
Parmesan (Italy)	: TFEWR	: 2.8700-2.9500*
Romano (Italy)	: 2.1900-2.9000	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.1750-1.6825*
Romano (Cows Milk)	: -0-	: 2.7050-2.9100*
Sardo Romano (Argentina)	: 2.6500-3.2900	: -0-
Reggianito (Argentina)	: 2.6500-3.2900	: -0-
Jarlsberg-(Brand)	: 2.7400-3.1200	: -0-
Swiss Cuts Switzerland	: -0-	: 2.2500-2.5050
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-
Swiss Cuts Austrian	: 2.2500-2.7500	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-3.0900	: -0-
Gouda, Large	: 2.3900-3.1500	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-

* = Price change.

FLUID MILK AND CREAM

E A S T

Milk production is showing a more typical seasonal decline through Florida and nearby southern states as temperatures have reached into the upper 80's and 90's with increased humidity. Florida handlers canceled some of the projected surplus loads to outside manufacturers from last week, sending less than 70 of the anticipated 100 loads. If the heat and humidity persist for an extended period, Florida handlers may need to import supplemental loads of milk soon. Further north in the Middle Atlantic states and the Kentucky/Tennessee area, milk production is also easing, allowing a little more breathing space for manufacturing plants that have been operating on heavy schedules, often for longer than normal periods. Conditions remain very wet and cloudy in Kentucky and Tennessee, providing a bountiful insect crop but otherwise doing little to reduce milk receipts or stimulate ice cream sales. In many areas, milk production has held up a week or two longer than normally expected, due mainly to unseasonably cool weather. In the Northeast, milk has reached its annual peak and holding at near peak levels. Some milk continues to be exported from the Northeast to Midwestern and Middle Atlantic state plants for processing. A large plant breakdown caused the need to divert extra milk for processing. Cream demand is seasonally active with some interest from ice cream accounts not being completely satisfied. Cream prices are generally higher, reflecting higher multiples. Cream continues to move from the West to the Northeast to supplement local offerings. During May, milk production in the 20 major states totaled 11.8 billion pounds, up 2.1% from last May. The following are the May-to-May changes for selected states: Florida +6.9%, Virginia +3.2%, Pennsylvania +0.7%, Vermont -1.3%, Kentucky +1.2%, New York -2.1%, and Texas -6.1%.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. Producing Plants: Northeast	-	1.5540 - 1.6275
Delivered Equivalent Atlanta	-	1.4700 - 1.5872 M 1.5225-1.5540
F.O.B. Producing Plants: Upper Midwest	-	1.5225 - 1.5750

PRICES OF CLASS II CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. Producing Plants: Northeast	-	1.0000 - 1.0900
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M I D W E S T

SPOT SHIPMENTS:

LOADS

JUNE 13 - 19, 1997	0
PREVIOUS WEEK	0
COMPARABLE WEEK IN 1996	0

Milk production has reached the annual peak in many areas of the upper Midwest, though declines have been minimal from that level. However, some other plant operators continue to see increases in receipts. Manufacturing plant schedules remain very heavy as plenty of surplus milk is available to process, from both within and outside the region. A few plant breakdowns, both within and outside the region, have caused some extra supplies to find a processing home. Spot milk prices within the region range from a high of flat class/MCP to just more than \$1.00 below class. Further south in the region, production declines are more noticeable. Class I demand is about steady at the usual lower summer levels. Cream interest remains seasonally good as ice cream sales improve. Cream prices are steady to slightly higher. Cream continues to move great distance to fill orders. Initial estimated May milk production in selected Midwestern states compared with May 1996 is: Wisconsin 2.0 billion pounds, unchanged; Minnesota 816

million pounds, down 14 million pounds (1.7%); Michigan 474 million pounds, up 1 million pounds (0.2%), and Iowa 346 million pounds, up 15 million pounds (4.5%). The revised April estimates showed Wisconsin 21 million pounds less than the initial estimate to 1.86 billion pounds, 1.5% below April 1996. Efforts continue to harvest the first hay cutting with the usual amount of rain occurring. It has been difficult getting enough dry days in a row to bale hay, as usual for first cutting. Corn growth continues to lag for most farmers as heat units continue behind "normal" levels. At the current rate of growth, corn will have difficulty in making "knee high by the 4th of July."

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	JUNE 12 - 18	PREVIOUS YEAR
SLAUGHTER COWS	\$ 36.00- 42.00	\$ 30.50- 36.00
REPLACEMENT HEIFER CALVES	\$100.00-150.00	\$100.00-135.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	JUNE 12 - 18	PREVIOUS YEAR
SLAUGHTER COWS	\$ 36.00- 44.25	\$ 30.00- 38.50

W E S T

May milk production in the 20 surveyed states totaled 11.8 billion pounds, up 2.1% from May 1996. Production per cow increased 3.2% from last year with cow numbers down 84,000 head or 1.1%. Output compared to last May for selected Western states is as follows: Arizona up 7.9%, California up 8.3%, Idaho up 9.5%, New Mexico up 3.9%, and Washington up 2.8%. Production per cow increased in every one of these Western states and cow numbers increased 55,000 head from last year in the five states. Higher temperatures in Southern California were having some negative impacts on milk production, but the output generally continues to pace strongly ahead. More temperate weather conditions prevail over more northern regions, providing no problems to the strong milk flow. Production is down from peak levels, but is holding relatively steady over the past few weeks. Lower milk prices may be partly responsible for the milk volumes remaining at high levels due to producers needing more milk in attempts to cash flow. Plant capacity is able to handle current milk volumes. Feed costs remain high, even new crop alfalfa. Hotter weather in Arizona and New Mexico is stressing cows and dropping milk output. Demand for cream remains good at multiples in the mid 130's, FOB. Shipments out of the region continue for both ice cream and butter manufacturers. Milk production continues to increase seasonally in Washington and Oregon. Manufacturing plants continue to operate at near capacity levels. More producers are complaining about the increasing financial stress on their operations. Forage costs and quality issues are a concern for everyone in the Western region. Unusually heavy rain falls after hay growers started to harvest the first cutting of hay have caused major quality problems. The cut hay is turning black and rotting in the fields. The problem is further compounded by the fact that the second growth is coming on strong and growing up around and through the first cutting windrows. Some growers are chopping the first cut back onto the fields or getting it off any way that is possible. Much of this cutting will make only lower quality feeder hay. Export interest is building for the second cutting and this interest is putting further pressure on supplies and prices. Milk production is heavy in Utah and Idaho. Many contacts feel that output has not peaked yet. Plants do not have a lot of capacity left to process milk.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 06/19/97 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL

Prices are mostly steady at weak levels with a higher price for high heat reported at the top end of the range. The majority of sales are still trading in the \$1.07 to \$1.08 range, which is in line with Western delivered product. Sales to the CCC under the price support program continue from the West, which continues to deaden market activity. DEIP orders continue to be filled by several Central producers, which is helping their inventory positions. Product is available from most producers in the region. Demand is fair at best and continues to be hand to mouth. Condensed skim prices are more affordable than NDM and often the first choice of cheese makers for standardizing if they choose to at current cheese prices.

Includes EXTRA GRADE and GRADE A, all heat treatments

NONFAT DRY MILK: 1.0600 - 1.1000 MOSTLY: 1.0700 - 1.0800

DRY BUTTERMILK - CENTRAL

Buttermilk prices are lower in mostly light trading. The market tone continues to be weak. Plant offering prices are lower and most are open for bids. Production is moderately active with butter production continuing strong. Demand from ice cream producers is fair, but currently they are taking as much cream as possible.

BUTTERMILK: 1.0100 - 1.1250

DRY WHEY - CENTRAL

Whey prices and the market tone are firmer. Demand is fair to good for the current limited producers' offerings. Additional interest is coming from buyers attempting to secure extra product in a firming market. Some buyers were caught short for current needs, expecting market prices to remain stable. There are a number of end users that are in good shape and are not in the market. Resale loads being offered at higher prices are occasionally the only source for a specific plant's production. Whey stocks are light to moderate and held with confidence.

NONHYGROSCOPIC: .1825 - .2025 MOSTLY: .1875 - .1925

ANIMAL FEED WHEY - CENTRAL

Prices increased for all types and remain nominal in limited trading. Milk replacer offerings are light and not able to satisfy current demand. The market tone is firmer, reflecting the edible whey market. Standard prices remain too few to report. No trades were reported. Roller ground prices are higher with continued good demand from hog feed producers noted. The delactose market is slightly firmer due to higher WPC prices and occasionally better demand.

MILK REPLACER: .1675 - .1775
STANDARD: TFEWR
ROLLER GROUND: .1875 - .2000
DELACTOSE (Min. 20% protein): .3300 - .3500

LACTOSE - CENTRAL AND WEST

Lactose price ranges are unchanged, but the market tone remains weak. Additional market pressure is developing with stocks building at the plant level. While some producers have all production booked up under contract, those relying on the spot market are finding sales increasing difficult, unless prices are reduced. Export and contract sales are continuing to move in timely fashion. Production is seasonally strong and stocks are building at some facilities. Third quarter contract negotiations are in process with early indications of price declines of one to two cents from the second quarter reported.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .2200 - .2800 MOSTLY: .2400 - .2700

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate prices are higher and the market tone remains firm. Producers' offerings are lighter than in recent weeks and asking prices are beginning to bear higher premiums. Demand is fair to good for the amount of product being offered. Buyers are finding less product at higher prices. Feed interest is fair and often being filled with off-grade product, when available. At the resale channels, WPC offerings are also lower and priced with premiums. Production levels are seasonally high. Producers' inventories are light to moderate.

EXTRA GRADE 34% PROTEIN: .5575 - .6025 MOSTLY: .5875 - .5925

NONFAT DRY MILK - WEST

Nonfat dry milk prices are mainly steady with some price adjustments made to the top of the high heat range. The market tone remains weak. Net purchases of 681,204 pounds of NDM were made last week by the CCC under the price support program. Additional offerings continue this week. In addition, the first support offerings of 40# blocks and barrel cheese were made late last week and early this week, respectively. The weak cheese market is also limiting NDM usage in cheese production. New DEIP orders are being taken, but not at volumes desired. Production is strong in California and the Northwest, but declining in the temperate Southwest. Stocks remain in excess of current market needs.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: 1.0400 - 1.0600 MOSTLY: 1.0400 - 1.0500
HIGH HEAT: 1.0600 - 1.0900

DRY BUTTERMILK - WEST

Prices and the market tone continue to weaken. Unconfirmed trades below the bottom end of the range were reported, but not confirmed. Buying interest is light and activity is mainly centered on fill-in needs. Resale loads are available and often priced at the bottom end of the range. Both producers and resellers are open for bids. Production is seasonally active. Inventory levels remain moderate to heavy.

BUTTERMILK: .9800 - 1.0800 MOSTLY: 1.0100 - 1.0400

DRY WHEY - WEST

Prices continue to increase for Western whey powder. Producer offerings are lighter. Manufacturing stocks of powder are declining. Some buyers are having to wait one to two weeks to get powder from their plant of choice. Milk production continues to increase in much of the Western region. The additional surplus milk is leading to more cheese production and therefore more whey output. Export sales are steady at best with domestic interest showing improvement. A firmer undertone is developing in this market.

NONHYGROSCOPIC: .1950 - .2250 MOSTLY: .1950 - .2050

CALIFORNIA MANUFACTURING PLANTS

The weighted average price for Extra Grade and Grade A Nonfat Dry Milk for the seven day period ended June 13, on powder sales of 8,454,284 pounds f.o.b. California manufacturing plants was \$1.0503 per pound. This compares to 8,212,949 pounds at \$1.0552 for the previous week ending June 06, 1997. Prices for both periods were influenced by the effect of long-term contract sales. Compiled by the Dairy Marketing Branch, California Department of Food and Agriculture.

NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

NONFAT DRY MILK - NORTHEAST AND SOUTHEAST

Prices are mostly unchanged and the market tone is about steady. Manufacturing milk supplies and drying schedules remain seasonally heavy. However, DEIP commitments have reduced current inventories to more comfortable levels for a few producers. Also, some production was shifted over to whole milk, thus reducing current offerings.

Includes EXTRA GRADE and GRADE A, all heat treatments

F.O.B. NORTHEAST:	1.0500 - 1.1600
DELVD SOUTHEAST:	1.0725 - 1.1200

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are mostly unchanged to lower and the market tone is unsettled. Limited buying interest is currently occurring. Current offerings are limited. Drying schedules are light to moderate. The heavy volumes of NDM being dried have cut into the dryer time available for buttermilk.

F.O.B. NORTHEAST:	1.0500 - 1.0900
DELVD SOUTHEAST:	1.0900 - 1.1600

DRY WHOLE MILK - NATIONAL

The whole milk market is mostly steady. Drying is active for a few producers as they work to fill current orders. The large volumes of NDM being dried are affecting the volumes of whole milk dried by other manufacturers. DEIP activity has reduced uncommitted inventories for a few producers.

F.O.B. PRODUCING PLANT:	1.1600 - 1.2550
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DEIP BID ACCEPTANCE SUMMARY

JULY 1, 1996 THROUGH JUNE 13, 1997
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	64,209	MT (141,555,161 LBS)
CHANGE	--	1,105	MT (2,436,083 LBS)
WHOLE MILK POWDER	--	2,113	MT (4,658,320 LBS)
CHANGE	--	292	MT (643,743 LBS)
CHEESE	--	2,869	MT (6,324,997 LBS)
CHANGE	--	66	MT (145,503 LBS)
BUTTERFAT	--	5,342	MT (11,776,973 LBS)
CHANGE	--	122	MT (268,961 LBS)

DRY WHEY - NORTHEAST AND SOUTHEAST

The whey market is steady to firm. Prices are unchanged to higher. Buyers are trying to avoid additional price increases by making purchases at current levels. Spot offerings are limited and held with confidence. Current production is seasonally heavy, but inventories are in good balance.

F.O.B. NORTHEAST:	EXTRA GRADE	.1800 - .1900
	USPH GRADE A	.1850 - .1925
DELVD SOUTHEAST:		.1950 - .2250

ANIMAL FEED WHEY - NORTHEAST

Prices are steady to higher and remain nominal. Offerings are light to adequate. The animal feed market continues to follow the strength of the edible whey market. Interest is steady to improved as buyers try to make commitments before additional price increases.

F.O.B. NORTHEAST:	MILK REPLACER	.1675 - .1850
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EVAPORATED MILK - NATIONAL

The market tone and prices are steady. Production levels remain active at many plants due to continued large volumes of surplus milk being offered to manufacturing plants for processing. Demand remains at fair levels. CCC invites offers under EVD-1, electronic invitation 340, to sell to CCC 2,570,400 pounds of evaporated milk packed in 48/12 or 24/12 oz. cans for shipment in August. Offers are due June 23.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED	
MAJOR U.S. CITIES	\$22.50 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

The casein markets are generally steady at unchanged prices, although the market tone is weak as the third quarter approaches. Demand for rennet casein is not as active as acid due to a weak natural cheese market. Acid demand is good. Stocks of both acid and rennet are sufficient for current needs. Contacts are stating that due to the continued strong U.S. dollar, exporters should be able to absorb lower prices.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET:	2.2000 - 2.4100
ACID:	2.0000 - 2.2000

COFFEE, SUGAR, & COCOA EXCHANGE AND CHICAGO MERCANTILE EXCHANGE FUTURES

Selected settling prices, (open interest), and volume 1/

Month	06/05	06/06	06/09	06/10	06/11	06/12	06/13	06/16	06/17	06/18
CSCE CHEDDAR CHEESE -- Cents per pound										
JUN 97	117.30 (13) 1	117.30 (13) 0	117.30 (11) 0	116.30 (11) 0	116.00 (12) 4	116.00 (12) 0	115.50 (12) 0	114.70 (12) 0	114.70 (8) 4	110.50 (8) 0
AUG 97	129.00 (18) 0	130.00 (18) 0	130.00 (18) 0	130.00 (18) 0	129.50 (18) 0	129.50 (18) 0	129.80 (13) 5	129.00 (13) 0	129.00 (13) 0	124.80 (13) 0
OCT 97	135.00 (4) 0	136.00 (4) 0	136.00 (4) 0	136.00 (4) 0	135.50 (4) 0	135.50 (4) 0	135.80 (4) 0	135.00 (4) 0	135.00 (4) 0	134.50 (4) 0
CSCE - NONFAT DRY MILK -- Cents per pound										
JUN 97	104.80 (24) 0	105.50 (24) 0	105.50 (24) 0	105.00 (24) 0	104.50 (24) 0	104.50 (24) 8	104.50 (24) 0	104.50 (24) 0	104.50 (24) 0	104.50 (24) 0
AUG 97	108.50 (57) 0	109.20 (69) 12	109.20 (69) 0	108.70 (69) 0	108.20 (69) 0	108.20 (69) 0	108.20 (69) 0	108.20 (69) 0	108.20 (69) 0	108.20 (69) 0
CSCE - FLUID MILK -- Dollars per cwt.										
JUN 97	11.93 (25) 0	11.93 (24) 0	11.80 (42) 3	11.55 (42) 3	11.65 (42) 0	11.48 (42) 0	11.60 (42) 16	11.50 (42) 0	11.40 (39) 7	11.28 (36) 0
AUG 97	13.80 (35) 0	13.70 (35) 0	13.57 (35) 0	13.40 (35) 0	13.50 (35) 0	13.33 (35) 0	13.45 (32) 0	13.35 (32) 0	13.50 (32) 0	13.38 (32) 0
OCT 97	13.90 (11) 0	13.75 (11) 0	13.62 (11) 0	13.70 (11) 0	13.80 (11) 0	13.63 (11) 0	13.75 (11) 0	13.65 (11) 0	13.80 (11) 0	13.68 (11) 0
CSCE - BUTTER - Cents per lb.										
JUN 97	106.30 (19) 4	108.30 (15) 0	107.60 (15) 0	106.60 (7) 8	107.10 (15) 0	107.10 (15) 0	108.40 (15) 0	108.00 (12) 3	106.50 (12) 0	106.50 (13) 0
AUG 97	111.50 (154) 13	112.20 (164) 26	111.50 (159) 3	110.50 (151) 8	111.00 (159) 1	111.00 (159) 0	112.30 (159) 0	113.50 (167) 9	112.00 (166) 0	112.00 (163) 0
OCT 97	112.50 (13) 0	113.20 (13) 0	112.50 (13) 0	111.50 (13) 0	112.00 (13) 0	112.00 (13) 0	113.30 (13) 0	112.50 (13) 0	111.00 (13) 0	111.00 (14) 0
CSCE - BFP -- Dollars per cwt.										
JUN 97	11.05 (162) 8	11.03 (188) 30	10.99 (187) 1	10.97 (187) 11	10.93 (181) 4	10.95 (183) 7	10.96 9180) 3	10.93 (181) 5	10.97 (201) 2	10.93 (160) 0
AUG 97	12.40 (296) 2	12.33 (344) 49	12.28 (358) 15	12.33 (359) 5	12.25 (365) 3	12.25 (367) 3	12.15 (370) 10	12.19 (375) 8	12.15 (375) 1	12.05 (369) 0
OCT 97	12.69 (242) 7	12.68 (251) 7	12.68 (258) 16	12.68 (262) 9	12.68 (270) 9	12.68 (270) 3	12.70 (270) 19	12.65 (2272) 3	12.68 (272) 0	12.66 (276) 0
CME - BUTTER -- Cents per pound										
JUN 97	110.50 (39) 29	111.50 (38) 6	111.00 (38)	110.25 (38) 26	109.20 (24) 14	111.00 (20) 7	111.50 (19) 8	111.50 (16) 3	111.50 (16) 0	111.60 (16) 0
JLY 97	112.00 (166) 16	112.75 (208) 101	112.00 (211) 6	110.75 (217) 12	110.75 (214) 11	112.00 (205) 14	112.00 (206) 16	112.00 (197) 33	112.00 (197) 3	112.05 (197) 5
SEP 97	116.25 (77) 9	116.00 (78) 18	116.00 (81) 4	115.00 (81) 0	114.00 (81) 0	115.75 (99) 19	116.00 (99) 2	116.00 (107) 20	116.00 (109) 2	116.00 (109) 0

1/ Open interest for NDM and cheddar -- 4 contracts equal 40,000 pounds. Open interest for fluid milk (at both exchanges) -- 1 contract equals 50,000 pounds. For more detailed information, you may call our automated voice system at 608-224-5088 or the CSCE's Soft Fax at 212-742-6111.

INTERNATIONAL DAIRY MARKET NEWS

Information gathered June 9 - 20, 1997

Prices are U.S. Dollars per MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

WESTERN AND EASTERN EUROPE

OVERVIEW - WESTERN EUROPE: Milk production in most areas of Europe is now starting to edge lower from seasonal highs. Although production patterns have varied from one country to another, indications are that 1997 milk output will be very comparable with previous year levels. Within the past week, Europe has attained maximum sales levels under GATT and the issuance of export certificates has been suspended for most dairy products. The discontinuance will be short, due to the start of the new GATT year July 1. Under the certificate issuance policies, a period of 5 working days must pass between application and issuance, thus applications might resume as soon as June 23 for certificates effective July 1. Export trading activity out of Europe has generally centered around previous commitments. Butter stocks remain low, thus most current production is being retained for private storage build up. Skim milk powder prices and marketings are being influenced by the active participation of U.S. exporters. Although most of that current trading is smaller quantities, cumulative total of all of the smaller volumes add up to a sizable amount of powder that possibly would have been sourced out of Europe.

BUTTER/BUTTEROIL: Butter markets are steady to firm. Stocks of butter are light and seasonal production that is not clearing the market is entering private storage programs. The firmness to the market is being attributed to the low inventory levels throughout most of Europe versus supply/demand. Overall demand is not aggressive, thus higher quotes are allowing inventories to build and potential sales not to develop. Holders of butter are stating that current inventories are the lowest they have been in quite sometime. Most are trying to rebuild stocks before entering into new, large volume, commitments.

82% BUTTERFAT: 1,600 - 1,850
99% BUTTERFAT: 1,850 - 1,900

SKIM MILK POWDER (SMP): European skim milk powder markets are steady to weak. Powder output is heavy as milk production is seasonally strong. Active exporting out of the United States is limiting new buyer interest from Europe, but exporters are not overly concerned. Traders are stating that the U.S. involvement is small lot volumes which are less of a concern. Some traders are stating that resale powder is also available now. At this time, European powder is being shipped for commitments previously made.

1.25% BUTTERFAT: 1,680 - 1,750

WHOLE MILK POWDER (WMP): Whole milk powder markets and prices are holding steady to slightly weaker. Stocks of Eastern and Western European whole milk powder are readily available for current needs. Often stocks are heavier than current demand is clearing. Buying interest is not too aggressive at this time. Traders are reporting that with the GATT year-end near, this might be a reason for limited activity at this time.

26% BUTTERFAT: 1,670 - 1,900

SWEET WHEY POWDER: European whey markets are steady to weaker. Whey stocks continue to build as seasonal cheese production remains active. Demand for whey at this time is not overly active, although new buyer interest is occurring. European traders continue to look to the Far East for potential sales.

NONHYGROSCOPIC: 400 - 540

OVERVIEW - EASTERN EUROPE: Milk production within Eastern Europe continues to lag previous years by about 2 - 3 weeks. Weather conditions are now quite favorable for steady production growth which is at or near seasonal high levels. Stocks of manufactured dairy products, as in other areas of Europe, are building slowly. Trading activity is occurring, but limited by available stocks above desired inventories for future needs.

OCEANIA

OVERVIEW: The 1996 - 97 milk production season in the Oceania region has now ended. Milk production patterns in both New Zealand and Australia are at seasonal low levels. Winter conditioning of the milking herd varies between the two countries. In Australia, where conditions were dry, the past production season totals were about 3 - 4% above the previous year, cow conditioning is not as favorable as most producers desire. In New Zealand, where conditions were nearly ideal and yearly production surpassed single digit increases, cow conditioning is more favorable. Although both countries are predicting strong production for next season, herd health going into the new production season will be a big influence on total output. Overall trading activity continues to center around previous commitments. In most instances, stocks are fully sufficient for contracted needs with limited volumes remaining for new buyer interest.

BUTTER: Butter markets are generally steady, although the undertone is firm. Much of the Oceania firmness is following on the footsteps of former European butter markets. Stocks of Oceania butter are sufficient for current needs with handlers referring to stocks as comfortable. New buyer interest is slow to develop, but most handlers are looking positively toward the future.

82% BUTTERFAT: 1,400 - 1,450

CHEDDAR CHEESE: Cheese markets are steady to weaker. Stocks of cheese are fully available for current needs. Inventory levels are sufficient to the point that some holders of cheese are looking for additional sales. Cheese production is minimal now that milk production has seasonally ended. Trading activity that is occurring centers around previous commitments.

39% MAXIMUM MOISTURE: 2,050 - 2,100

SKIM MILK POWDER (SMP): Skim milk powder markets are much the same as other manufactured dairy products at this time. The milk production season has now ended and most all of the trading activity is occurring from inventories built during the production season. Recent sales activity from the U.S. into the international market is limiting potential new sales that might have occurred from the Oceania region. U.S. activity in the export market is not a major concern of this region, but traders are closely monitoring the situation.

1.25% BUTTERFAT: 1,700 - 1,750

WHOLE MILK POWDER (WMP): Whole milk powder markets are much the same as in past weeks. Production levels are low as seasonal milk output has basically ended. Current trading activity centers around previously contracted business and stocks to fill that demand are coming from inventories. Whole milk supplies are in balance for contracted needs.

26% BUTTERFAT: 1,750 - 1,800

Exchange rates for selected foreign currencies: June 16, 1997

.5135 Dutch Guilder	.5774 German Mark
.1712 French Franc	.6893 New Zealand Dollar
.1259 Mexican Peso	.7488 Australian Dollar
1.6372 British Pound	.0088 Japanese Yen
.3086 Polish Zloty	

To compare the value of 1 US Dollar to Mexican Pesos: $(1/.1259) = 7.9428$. That is 1 US Dollar equals 7.9428 Mexican Pesos.

Source: *Wall Street Journal*

MAY MILK PRODUCTION

Milk production in the 20 major States during May totaled 11.8 billion pounds, 2.1 percent above production in these same States in May 1996. April revised production, at 11.5 billion pounds was 1.7 percent above April 1996.

Production per cow in the 20 major States averaged 1,526 pounds for May, 47 pounds above May 1996.

The number of cows on farms in the 20 major States was 7.73 million head, down 84,000 head from May 1996 but up 1,000 from April 1997.

MAY 1997 MILK COWS AND MILK PRODUCTION, BY STATES

STATE	MILK COWS 1/		MILK PER COW 2/		MILK PRODUCTION 2/		
	1996	1997	1996	1997	1996	1997	% CHANGE FROM 1996
	THOUSANDS		POUNDS		MILLION POUNDS		PERCENT
AZ	119	128	1,905	1,915	227	245	7.9
CA	1,262	1,284	1,770	1,885	2,234	2,420	8.3
FL	157	162	1,380	1,430	217	232	6.9
ID	252	266	1,590	1,650	401	439	9.5
IL	155	148	1,320	1,350	205	200	-2.4
IN	140	140	1,350	1,380	189	193	2.1
IA	249	247	1,330	1,400	331	346	4.5
KY	155	145	1,085	1,170	168	170	1.2
MI	322	308	1,470	1,540	473	474	0.2
MN	595	585	1,395	1,395	830	816	-1.7
MO	182	173	1,255	1,295	228	224	-1.8
NM	194	200	1,735	1,750	337	350	3.9
NY	703	698	1,450	1,430	1,019	998	-2.1
OH	285	283	1,360	1,380	388	391	0.8
PA	643	639	1,460	1,480	939	946	0.7
TX	400	389	1,425	1,375	570	535	-6.1
VT	155	156	1,445	1,415	224	221	-1.3
VA	126	122	1,245	1,330	157	162	3.2
WA	262	266	1,750	1,775	459	472	2.8
WI	1,460	1,393	1,345	1,410	1,964	1,964	0.0
20 STATE TOTAL	7,816	7,732	1,479	1,526	11,560	11,798	2.1

1/ Includes dry cows. Excludes heifers not yet fresh.

2/ Excludes milk sucked by calves.

SOURCE: "Milk Production," Da 1-1 (6-97), Agricultural Statistics Board, National Agricultural Statistics Service, U.S. Department of Agriculture.

ESTIMATED U.S. SUPPLY AND USE PROJECTIONS FOR MILK*

The outlook for milk production is little changed from last month. Dairy product stocks are larger than thought last month as data released in recent weeks show a sharp buildup in stocks during April. Milk price forecasts are lowered as prices will remain under pressure until these stocks are worked down.

U.S. MILK SUPPLY AND USE

Item	1995/96 <u>1/</u>	1996/97 Estimate <u>1/</u>		1997/98 Projection <u>1/</u>	
		May	June	May	June
SUPPLY		BILLION POUNDS			
BEGINNING COMMERCIAL STOCKS <u>2/</u> <u>23/</u>	4.6	4.9	4.9	5.2	5.3
PRODUCTION	154.1	155.2	155.4	156.7	156.7
FARM USE	1.5	1.3	1.4	1.3	1.3
MARKETINGS	152.6	153.9	154.0	155.4	155.4
IMPORTS <u>2/</u>	2.8	3.1	3.1	3.3	3.3
TOTAL COMMERCIAL SUPPLY <u>2/</u>	160.0	161.9	162.1	163.9	164.0
USE					
COMMERCIAL USE <u>2/</u>	154.9	156.3	156.3	157.7	157.9
ENDING COMMERCIAL STOCKS <u>2/</u>	4.9	5.2	5.3	5.4	5.4
CCC NET REMOVALS:					
MILKFAT BASIS <u>3/</u>	0.1	0.4	0.5	0.7	0.7
SKIM SOLIDS BASIS <u>3/</u>	1.1	1.6	2.1	1.8	1.8
		DOLLARS PER CWT.			
PRICES RECEIVED BY FARMERS <u>4/</u>					
BASIC FORMULA (BFP)	13.50	11.95-12.15	11.70-11.90	11.90-12.90	11.80-12.80
ALL MILK <u>5/</u>	14.42	13.45-13.65	13.40-13.60	13.10-14.10	12.95-13.95
		MILLION POUNDS			
CCC PRODUCT NET REMOVALS <u>3/</u>					
BUTTER	1	12	15	25	23
CHEESE	5	8	10	7	7
NONFAT DRY MILK	84	125	170	135	140
	QUARTERLY <u>6/</u>			ANNUAL <u>6/</u>	
	1997 II	1997 III	1997 IV	1997	1998
	BILLION POUNDS				
MILK PRODUCTION	40.3	38.2	38.0	155.5	157.5
	DOLLARS PER CWT.				
ALL MILK PRICE <u>4/</u> <u>5/</u>	12.80-13.00	12.40-12.90	13.70-14.50	13.10-13.50	12.90-13.90
BASIC FORMULA PRICE <u>4/</u>	10.90-11.10	11.35-11.85	12.70-13.50	11.80-12.20	11.80-12.80

NOTE: Totals may not add due to rounding. 1/ Marketing year beginning October 1. 2/ Milk equivalent, milkfat basis. 3/ Includes products exported under Dairy Export Incentive Program. 4/ Projections indicate a range of the average for the quarter or year. 5/ Milk of average fat test. Does not reflect any deductions from producers as authorized by legislation. 6/ Calendar year basis projection.

* The World Agricultural Supply and Demand Estimates were approved by the Interagency Commodity Estimates Committee. The members for Dairy are: James E. Nix, Chairman, WAOB; Arthur Coffing, FAS; John Mengel, FSA; Robert R. Miller, AMS; and James Miller, ERS.

SOURCE: "World Agricultural Supply and Demand Estimates," WASDE-327, World Agricultural Outlook Board, USDA, June 12, 1997.

**MAILBOX MILK PRICES FOR SELECTED FEDERAL MILK ORDERS,
MARCH 1997, WITH COMPARISONS***

In March 1997, mailbox milk prices reported for selected Federal milk orders averaged \$13.24 per cwt., \$.16 more than the figure for the previous month. On a regional basis, the average prices and changes from the previous month were: Northeast, \$13.08, up \$.36; Southeast, \$14.37, down \$.22; Midwest, \$13.35, up \$.16; and West, \$12.56, up \$.17. Compared to March 1996, mailbox milk prices were unchanged on the average. Regional changes from the previous year were: -.01 in the Northeast, -.05 in the Southeast, -.09 in the Midwest, and +\$.12 in the West. The average minimum blend price in March 1997 was \$.28 below the price in the previous year.

Federal milk order 1/	Mailbox Milk Price 2/		
	March 1996	February 1997	March 1997
	<u>Dollars per hundredweight</u>		
New England	13.14	12.66	13.10
New York-New Jersey	13.18	12.67**	13.03
Middle Atlantic	12.86	12.84	13.16
Northeast Average 3/	13.09	12.72	13.08
Carolina	14.43	14.80	14.59
Tennessee Valley	13.97	14.28	13.97
Southeast	13.78	13.74	13.71
Florida 4/	15.73	15.98	15.54
Southeast Average 3/	14.42	14.59	14.37
Southern Michigan	13.10	12.81	13.04
Eastern Ohio-Western Pa.	13.47	12.81	13.20
Ohio Valley	13.51	12.85	13.24
Indiana	13.26	12.78	13.26
Chicago Regional	13.68	13.58	13.65
S. Illinois-E. Missouri	13.03	12.44	12.80
Louis.-Lex.-Evans.	13.61	13.16	13.55
Upper Midwest	13.47	13.19	13.22
Nebraska-Western Iowa	12.98	12.87	12.99
Iowa	13.31	12.92	13.23
Midwest Average 3/	13.44	13.19	13.35
Texas	12.74	12.94	12.92
Southwest Plains	12.53	12.37	12.57
Eastern Colorado	13.04	12.26	12.51
S.W. Idaho-E. Oregon	12.54	12.26	12.37
Great Basin	12.51	11.88	12.04
New Mexico-West Texas	11.57	12.35	12.25
Pacific Northwest	12.08	12.11	12.55
West Average 3/	12.44	12.39	12.56
All-Market Average 3/	13.24	13.08**	13.24

* For a description of this data series, see "Dairy Market News" Vol.62 Rpt. 23.

** Revised.

1/ Federal milk orders for which information could be released. 2/ Net pay price received by dairy farmers marketing milk to handlers regulated under the Federal milk orders. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is reported at the market average butterfat test. Also, for some orders, price is a weighted average for all pricing zones in the order. 3/ Weighted average of the information for the orders listed in the region or for all selected orders combined. 4/ Weighted average of the information for the Upper Florida, Tampa Bay, and Southeastern Florida orders.

APRIL FLUID MILK SALES HIGHLIGHTS

During April, sales of fluid milk products in comparable Federal milk order marketing areas and California were 0.6 percent above 1996 and 1.1 percent above March 1997 on an adjusted daily average basis. Sales of whole milk items were 0.9 percent below the previous year; sales of lowfat and skim milk items were 1.3 percent above the previous year. Total fluid milk sales were unchanged in the Midwest region, and higher in all other regions.

**SUMMARY OF PACKAGED SALES OF WHOLE MILK ITEMS, LOWFAT AND SKIM MILK ITEMS, AND TOTAL FLUID MILK ITEMS IN FEDERAL MILK ORDER
MARKETING AREAS AND CALIFORNIA, GROUPED BY REGION, APRIL 1997, WITH COMPARISONS ^{1/}**

Region ^{4/}	Whole Milk Items ^{2/}				Lowfat and Skim Milk Items ^{3/}				Total Fluid Items			
	Sales		Change from:		Sales		Change from:		Sales		Change from:	
	Apr.	Year to date	Prev. year ^{5/}	Year to date ^{5/}	Apr.	Year to date	Prev. year ^{5/}	Year to date ^{5/}	Apr.	Year to date	Prev. year ^{5/}	Year to date ^{5/}
	Mil. lbs.		Percent		Mil. lbs.		Percent		Mil. lbs.		Percent	
Northeast	344	1,399	-1.6	-2.7	448	1,807	1.3	-0.9	792	3,206	0.1	-1.7
Southeastern	352	1,424	2.3	0.9	483	1,963	1.2	1.0	836	3,387	1.7	1.0
Midwest	251	1,034	-2.0	-1.7	937	3,792	0.7	-0.3	1,188	4,826	0	-0.7
Southwest	165	668	-1.3	-2.6	208	833	1.2	-0.2	372	1,500	0.1	-1.3
Far West	323	1,315	-2.6	-1.7	676	2,724	2.2	1.4	1,000	4,039	0.7	0.4
All Areas Combined	1,435	5,839	-0.9	-1.4	2,753	11,119	1.3	0.2	4,188	16,958	0.6	-0.3

^{1/} These figures are representative of the consumption of fluid milk products in comparable Federal milk order marketing areas and California, and represents approximately 91 percent of total fluid milk sales in the U.S. ^{2/} Whole milk items include plain, flavored, and miscellaneous whole milk products. ^{3/} Lowfat and skim milk items include plain, solids added, flavored, and miscellaneous lowfat and skim milk products, and buttermilk. ^{4/} For the marketing areas included in each region, see DMN Vol. 64, report #13. Far West includes California. ^{5/} Monthly and year-to-date percent changes are based on sales figures adjusted for calendar composition. See DMN Vol. 59, report #13.

**PACKAGED SALES OF FLUID MILK PRODUCTS IN ALL MARKETING AREAS DEFINED BY FEDERAL MILK
ORDERS AND CALIFORNIA, MARCH 1997, WITH COMPARISONS ^{1/}**

Product Name	Sales	Change from:	
		Previous Year	Year to Date
	Mil.lbs	Percent	
Whole milk ^{2/}	1,485	-1.5	-1.6
2% Lowfat Milk	1,387	-3.3	-3.3
1% Lowfat Milk ^{3/}	643	1.2	3.8
Skim Milk	725	2.5	3.0
Buttermilk	53	-4.2	-3.4
Total Fluid Milk Products ^{4/}	4,309	-1.1	-0.6

^{1/} These sales volumes and percent changes include preliminary data for the New York-New Jersey milk order marketing area and the California State milk order. However, data for the Black Hills market, which was terminated October 1, 1996, are excluded. Monthly and year-to-date percent changes are based on sales figures adjusted for calendar composition.

^{2/} Includes flavored whole milk. ^{3/} Includes flavored lowfat and skim milk. ^{4/} Includes miscellaneous products.

SOURCE: Monthly summaries of *Federal Milk Order Market Statistics*, AMS, USDA, and *California Dairy Information Bulletin*, California Agricultural Statistics Service and Milk Stabilization Branch.

FEDERAL MILK ORDER PRICE AND POOL HIGHLIGHTS

FEDERAL MILK ORDER MARKET SUMMARY FOR MAY 1997. During May, about 10.2 billion pounds of milk were marketed under Federal orders. (Since significant volumes of milk that normally would have been pooled under Federal milk orders were not pooled in May 1996, the following comparisons involving producer deliveries have been estimated.) For comparable markets, producer deliveries were about 1.9 percent more than May 1996, and about 0.2 percent more than April 1997 on a daily average basis. Milk utilized in Class I products in May was 0.1 percent more than last year on an adjusted basis. Class I use this year represented 38 percent of producer milk deliveries compared to 48 percent in May 1996. The average blend price was \$12.76 per cwt., \$1.50 less than last year. Changes in class prices from year-earlier levels were as follows: Class I, down \$0.21; Class II, down \$0.21; Class III, down \$3.07; and Class III-A, down \$0.34.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF MAY 1997										
FEDERAL MILK ORDER MARKETING AREAS <u>1/</u>	ORDER NO.	RECEIPTS AND UTILIZATION						PRICE AND BUTTERFAT DIFF.		
		RECEIPTS FROM PRODUCERS		RECEIPTS USED IN CLASS I		PERCENT USED IN CLASS I		BLEND PRICE <u>2/</u>		BUTTER-FAT DIFF. <u>3/</u>
		1997 TOTAL	CHANGE FROM 1996 <u>4/</u>	1997 TOTAL	CHANGE FROM 1996 <u>4/</u>	1997	1996	1997	1996	1997
		MIL. LB	PERCENT	MIL. LB	PERCENT	PERCENT		DOLLARS		CENTS
New England (Boston)	1	469.2	-1.5	220.8	0.7	47	46	13.77	14.56	9.0
New York/New Jersey (NY City)	2	1,035.3	-1.8	383.6	-7.1	37	39	13.17	14.62	9.0
Middle Atlantic (Philadelphia-Baltimore/Washington, D.C.)	4	625.2	21.9	260.7	18.5	42	43	13.25	14.05	---
NORTHEAST REGION		2,129.7	4.2	865.2	1.6	41	42	13.33	14.46	9.0
Carolina (Charlotte)	5	247.3	9.6	187.0	-1.2	76	84	14.76	15.36	9.0
Tennessee Valley (Knoxville/Chattanooga)	11	121.8	4.2	95.2	5.3	78	77	14.63	15.00	9.0
Southeast (Atlanta/Birmingham)	7	487.7	10.1	340.9	-2.5	70	79	14.44	15.21	9.0
Florida Markets (Tampa/Jacksonville/Tallahassee/Miami)	12 <u>5/</u>	261.5	7.2	216.9	2.5	83	87	15.50	16.01	9.0
SOUTHEASTERN REGION		1,118.3	8.7	840.0	-0.1	75	82	14.78	15.41	9.0
Michigan Upper Peninsula (Marquette)	44	6.1	5.4	4.2	-5.7	68	76	13.16	13.95	9.0
Southern Michigan (Detroit)	40*	394.0	1.1	170.9	-2.8	43	45	12.78	13.77	---
E. Ohio/W. PA (Cleveland/Pittsburgh)	36	304.2	4.6	150.2	2.6	49	50	12.76	14.15	---
Ohio Valley (Columbus)	33	282.2	8.6	141.6	-0.4	50	55	13.23	14.12	---
Indiana (Indianapolis)	49	181.9	10.1	108.3	10.5	60	59	13.45	13.93	---
Chicago Regional	30*	1,473.8	169.7	224.8	1.6	15	40	11.49	13.61	---
Central Illinois (Peoria)	50	17.3	13.3	13.2	9.6	76	79	13.38	14.15	9.0
S. Illinois-E. Missouri (Alton)	32*	204.6	30.4	88.3	-8.7	43	62	12.88	14.17	9.0
Louisville-Lexington-Evansville	46	99.6	7.1	78.1	11.7	78	75	14.02	14.41	9.0
Upper Midwest (Minneapolis)	68*	899.5	184.1	133.9	-2.2	15	43	11.27	13.51	---
Iowa (Des Moines)	79*	297.4	93.8	81.6	1.2	27	53	11.94	13.75	---
Nebraska/W. Iowa (Omaha/Sioux City)	65*	185.7	79.6	51.1	1.5	28	49	12.11	13.51	---
Greater Kansas City/E. S. Dakota	64 <u>6/ 7/</u>	42.9	---	---	---	---	72	14.15	14.45	9.0
MIDWEST REGION	8/	4,346.4	74.1	1,246.3	0.9	29	49	12.04	13.83	9.0

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF MAY 1997										
FEDERAL MILK ORDER MARKETING AREAS <u>1/</u>	ORDER NO.	RECEIPTS AND UTILIZATION						PRICE AND BUTTERFAT DIFF.		
		RECEIPTS FROM PRODUCERS		RECEIPTS USED IN CLASS I		PERCENT USED IN CLASS I		BLEND PRICE <u>2/</u>		BUTTER-FAT DIFF. <u>3/</u>
		1997 TOTAL	CHANGE FROM 1996 <u>4/</u>	1997 TOTAL	CHANGE FROM 1996 <u>4/</u>	1997	1996	1997	1996	1997
		MIL. LB	PERCENT	MIL. LB	PERCENT	PERCENT		DOLLARS		CENTS
Southwest Plains (Oklahoma City)	106	275.8	-18.3	120.7	-1.3	44	36	13.22	14.48	9.0
Texas (Dallas)	126	680.6	6.7	281.6	5.0	41	42	13.32	14.43	9.0
SOUTHWEST REGION		956.4	-2.0	402.3	3.1	42	40	13.29	14.45	9.0
E. Colorado/W. Colorado (Denver)	137 <u>6/</u>	149.7	-4.6	67.9	1.3	45	43	12.94	14.49	9.0
SW. Idaho/E. Oregon (Boise)	135	255.5	9.7	15.6	-0.9	6	7	10.96	13.77	---
Great Basin (Salt Lake City)	139	211.0	-0.5	72.7	-2.7	34	35	12.31	14.09	---
Central Arizona (Phoenix)	131	216.0	-3.6	83.5	-3.5	39	39	12.68	14.06	9.0
New Mexico-West Texas (Albuquerque)	138*	143.5	28.9	52.8	-9.0	37	52	12.48	13.82	9.0
Pacific Northwest (Seattle/Portland)	124*	583.5	10.5	180.6	-2.7	31	35	12.31	13.29	---
FAR WEST REGION		1,559.3	6.4	473.2	-3.0	30	33	12.22	13.77	9.0
COMP MKT. AVERAGE OR TOTAL	<u>8/</u>	10,110.1*	26.2*	3,827.0	0.6	38	48	12.76	14.26	9.0
ALL-MKT. AVERAGE OR TOTAL	<u>7/</u>	10,153.0	26.0	3,827.0	-0.4	38	48	12.76	14.26	9.0
YEAR-TO-DATE AVG./TOTAL										
Northeast Region		10,016.2	0.5	4,251.7	0.3	42	43			
Southeastern Region		5,550.9	6.1	4,203.5	-1.2	76	81			
Midwest Region	<u>8/</u>	18,244.0*	5.8*	6,129.1	-0.1	34	36			
Southwest Region		4,368.7	-5.8	2,010.8	3.2	46	42			
Far West Region		7,721.8*	8.2*	2,362.8	-1.7	31	34			
COMP MARKET AVERAGE OF TOTAL	<u>8/</u>	45,901.5*	3.8*	18,957.9	-0.1	41	43	13.08	13.88	----
ALL MARKET AVERAGE OR TOTAL	<u>7/</u>	46,115.5	3.7	18,957.9	-1.1	41	43	13.08	13.88	----

* Because the blend price adjusted for location was at or below the Class III price in certain zones of these markets, handlers elected not to pool an estimated 1.9 billion pounds of milk in May 1996 that normally would have been pooled under these orders. The total estimated amounts not pooled for this reason through the month of May are: for 1997, 2.4 billion pounds; and for 1996, 3.7 billion pounds. If these volumes had been pooled, the following percent changes in producer deliveries would have resulted: for May, Midwest region +0.5, Far West region +0.5, and all-market average +1.9. Year to Date, Midwest region -0.2, Far West region +5.1, and all-market average +0.9. 1/ Names in parentheses are principal cities and pricing points of markets. 2/ Prices are for 100 pounds of milk with a butterfat content of 3.5%. 3/ Amount by which the blend price is adjusted for each .1% that the butterfat content of a producer's milk varies from 3.5%. For example, if the butterfat content of the milk that a producer delivers to a regulated handler located in Boston (New England's market) is 4.0%, then the producer's blend price would be \$14.22. (4.0 minus 3.5 equals .5; 5 times \$.900 equals \$.450; \$13.77 plus \$.450 equals \$14.220.) 4/ Percentage changes have been adjusted for the different number of days in the two periods. 5/ Pool data are either a summation or weighted average of the Tampa Bay, Upper Florida, and Southeastern Florida marketing areas. The blend prices are for the Tampa Bay market. Blend prices for other markets are: Upper Florida: 1997, \$15.81; 1996, \$16.08; and Southeastern Florida: 1997, \$16.31; and 1996, \$16.63. 6/ Figures represent a combination of data for the indicated markets except for the producer blend prices which are for the first market listed. Blend prices for other markets are: Eastern South Dakota: 1997, \$12.36; 1996, \$13.97; and Western Colorado: 1997, \$13.87; 1996, \$14.50. 7/ The data for 1996 also includes the Black Hills marketing area. Effective October 1, 1996, the order regulating this marketing area was terminated. Class I receipt and utilization data for the Greater Kansas City/Eastern South Dakota area are restricted, effective October 1996, and are excluded from all-market figures. 8/ Figures are based on the same group of comparable markets--markets where orders were in effect the entire period 1996-97 and for which the data were not affected significantly by marketing area changes. Data for Greater Kansas City/Eastern South Dakota are no longer comparable; see 7/.

CCC PURCHASES OF DAIRY PRODUCTS

	FOR THE WEEK OF JUNE 16 - 20, 1997			CUMULATIVE TOTALS			UNCOMMITTED INVENTORIES		
	TOTAL	CONTRACT	ADJUSTED	SINCE	SAME PERIOD	PERIOD ENDING	SAME PERIOD		
	PURCHASES	ADJUSTMENTS	PURCHASES	10/01/96	LAST YEAR	06/13/97	LAST YEAR		
BUTTER									
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE									
Block	-0-	-0-	-0-	344,062	-0-	-0-	-0-	-0-	-0-
Barrel	139,634	-0-	139,634	139,634	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	988,800	-0-	-0-	-0-	-0-	-0-
TOTAL	139,634	-0-	139,634	1,472,496	-0-	-0-	-0-	-0-	-0-
NONFAT DRY MILK									
Nonfortified	628,298	218,221	410,077	4,880,498	-0-	-0-	-0-	-0-	-0-
Fortified	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	628,298	218,221	410,077	4,880,498	-0-	-0-	-0-	-0-	-0-

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT*	SKIM**		MILKFAT*	SKIM**
	BASIS	SOLIDS		BASIS	SOLIDS
WEEK OF JUNE 16 - 20, 1997 =	1.4	6.2	COMPARABLE WEEK IN 1996 =	0.0	0.0
CUMULATIVE SINCE OCTOBER 1, 1996 =	14.7	71.4	CUMULATIVE SAME PERIOD LAST YEAR =	0.0	0.0
CUMULATIVE JANUARY 1 - JUNE 20, 1997 =	14.7	71.4	COMPARABLE CALENDAR YEAR 1996 =	0.0	0.0

* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

**Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

	CCC ADJUSTED PURCHASES SINCE 10/1/96 AND SAME PERIOD LAST YEAR (POUNDS)			AND MILK EQUIVALENT AS A PERCENT OF TOTAL		
	BUTTER	CHEESE	NONFAT DRY MILK	MILK EQUIVALENT		
REGION	1996/97	1995/96	1996/97	1995/96	1996/97	1995/96
MIDWEST	-0-	-0-	1,332,862	-0-	83.9	0.0
WEST	-0-	-0-	139,634	-0-	16.1	0.0
EAST	-0-	-0-	-0-	-0-	0.0	0.0
TOTAL	-0-	-0-	1,472,496	-0-	100.0	0.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 1997MANUFACTURING MILK: Average Test 3.67% - \$10.20 per cwt.; 3.5% - \$10.10DOLLARS PER POUNDBUTTER: Bulk \$.6500; 1# Prints \$.6800CHEESE: 40 & 60# Blocks \$1.1300; 500# Barrels \$1.1000; Process American 5# \$1.1825; Process American 2# \$1.2225NONFAT DRY MILK: Nonfortified \$1.0470; Fortified \$1.0570; Instant \$1.2045

<u>Dairy Cow & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 05/31/97 & Comparable Week 1996</u>											
Regions*	1	2	3	4	5	6	7	8	9	10	U.S. TOTAL : % DAIRY OF ALL
1997-Dairy cows HD (000)	0.3	1.3	5.0	4.5	18.4	2.0	2.3	0.8	7.2	2.6	WEEK : SINCE JAN 1 : 44.4 1,266.4 45.0 46.3
1996-Dairy cows HD (000)	0.3	1.1	5.2	5.6	18.8	1.3	5.8	1.1	7.7	2.2	49.0 1,275.1 38.1 44.5
1997-All cows HD (000)	0.4	1.3	6.8	14.0	24.7	14.0	14.6	6.6	10.2	6.0	98.6 2,736.1
1996-All cows HD (000)	0.3	1.1	7.3	16.3	26.1	27.4	23.4	9.9	11.1	5.7	128.7 2,862.5

*For source, states included in each region, and historical data, see "Dairy Market News", Vol. 55, Report No. 31

CCC MARKET PRICE INVITATIONS (POUNDS) 6/12/97

	AUGUST DELIVERY	SEPTEMBER DELIVERY	OCTOBER DELIVERY
PROCESS	POUNDS	POUNDS	POUNDS
PROCESS 5# LOAF	831,600	514,800	396,000
PROCESS SLICED	2,098,800	1,029,600	1,267,200
PROCESS SHREDDED	38,400	--	--
MOZZARELLA	POUNDS	POUNDS	POUNDS
MOZZARELLA	1,814,400	725,760	645,120
LITE MOZZARELLA	161,280	40,320	161,280
LITE SHREDDED	282,240	40,320	80,640
AMERICAN	POUNDS		
BLOCKS	79,900	--	--
CHEDDAR CUTS	79,902	39,950	--
REDUCED FAT	79,902	--	159,800
REDUCED FAT CUTS	159,802	119,850	79,900
CHEDDAR SHREDDED	192,000	--	38,400
REDUCED FAT SHREDD	76,800	499,200	384,000
BARRELS	200,000	--	--
NONFAT DRY MILK	POUNDS	OFFERS ARE DUE JUNE 23. PUBLIC RELEASE IS SCHEDULED FOR JUNE 26 @ 4:00 P.M. (CST)	
INSTANT 25.6 OZ	241,920		
INSTANT 6/4 LB.	311,040		
NONFORTIFIED	773,819		

CUMULATIVE TOTAL CHEESE PURCHASES SINCE 10/1/96 = 65,870,274

CUMULATIVE TOTAL NDM PURCHASES SINCE 10/1/96 = 9,024,320

BASIC FORMULA PRICE (BFP), MAY 1995* TO DATE & HISTORIC M-W (3.5% BF, \$/CWT.)

YEAR	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.
1994	12.41	12.41	12.77	12.99	11.51	11.25	11.41	11.73	12.04	12.29	11.86	11.38
1995	11.35	11.79	11.89	11.16	*11.12	11.42	11.23	11.55	12.08	12.61	12.87	12.91
1996	12.73	12.59	12.70	13.09	13.77	13.92	14.49	14.94	15.37	14.13	11.61	11.34
1997	11.94	12.46	12.49	11.44	10.70							